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25 July 1960



Dear Bob:

The purpose of this letter is to raise with you a group of thoughts, leading to a proposal for action, which I personally feel are timely; indeed, imperative. These fall into two parts: an out-Cassandraing of all our previous Cassandra forebodings, and a reminder of what the United States can do now, of a positive nature, to avert the disaster on the instalment plan, especially in Asia, which, I am convinced, is otherwise impending.

The past three months, I think we would agree, have been something of a debacle. They have demonstrated the inadequacy, in the face of Soviet PROPOL, of a foreign policy structure anchored on a defensive principle of "containment" and without a convincing propaganda support. I believe we have not seen the end of the setbacks. In this connection, I am reminded of "Murphy's Law," which I once noticed pasted on the wall of a laboratory at MIT: "If anything can go wrong, it will!"

In accordance with a basic tactic of PROPOL, it seems likely that the focus of crisis will shift to a new area, other than Africa or Latin America. It might be Berlin or the Middle East, but more likely it will be Asia, especially the perimeter from Korea to Burma.

I am not suggesting that the intelligence community has failed to highlight the dangers of this area, or that the policy makers are unaware of them. I do suggest, however, that their aggregate magnitude and their imminence have been obscured by the bewildering display of crises elsewhere.

This area constitutes a sort of chain, which has the natural property of being no stronger than its weakest link, and all links are weak. Furthermore, it is under constant tension, so that if one link gives, the chain will flail about in all directions and almost certainly disintegrate.

I need hardly apply a metal stethoscope to the individual links. It may be worthwhile, however, to present what seem to me the instances in which Murphy's Law could be verified in the not too distant future.

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South Korea, not only is politically unstable, but no visible steps are being taken either by the regime or ourselves, to remedy its frightening economic weakness and the corruption which is prevalent. Above all, there is no indication to my knowledge that we are facing the hard, but inevitable decision of cutting back the monstrosly swollen ROK army, which serves no useful purpose and drains the blood of the country. Meantime, North Korea is steadily and quietly forging ahead economically toward the day when its image may become irresistibly attractive to its Southern sister. (More than a year ago, [REDACTED] 5X1A9a predicted that, in a free election, under the circumstances of the Rhee regime, South Korea would opt for union, even on communist terms. The overthrow of Rhee has bought a temporary release of pressure, but time is not on our side here.)

Japan still appears to have a balance of stability in its ties with us. But we should at least contemplate such unpleasant possibilities as the recurrence of student and left wing disorders, the heightening of anti-US sentiment, especially on the issue of atomic warfare, and the steady drift to accommodation with Communist China. An economic recession, which is always possible in such a "forced" flowering as present day Japanese prosperity, would have incalculable consequences. Politically, Japan presents a certain analogy with Italy - there are of course differences as well - in that Communist manipulation of a divided Socialist left, against an equally divided, dominant conservative party, can at any moment acquire massive leverage in the trade unions, and in the other elements of society which harbor resentment, frustration and potential fanaticism.

Taiwan is a complex of insecurity. The anachronistic Kuomintang is taking steps to placate native sentiment, but these may be too little and too late. So long as the concept of a "return to the mainland" is not formally buried, it will leave us in an ambiguous position. In effect, we are the unilateral guarantors of a status quo which masks a sort of revanchism that can only serve the purposes of the Mainland. A renewal of military pressure seems probable. The possibility of a dramatic subversion, a "deal" of Chiang Ching-kuo, after, or even before his father's death, cannot be ruled out. So far, we are unable or unwilling to face the inevitable and logical step of transferring our interest and our responsibility for the preservation of Free Taiwan to the United Nations, where it belongs.

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In some respects the Philippines look stronger, but they too are not free from corruption. They have their internal Communist situation in hand, but they too are rather shaky in confidence in their international position. They sense the general need of the area for some form of regional unity which will go beyond the military commitment of SEATO, and seek to achieve strong economic and political ties among all the lands threatened by the Chinese colossus. (This point was recently made to me by [REDACTED] who feels strongly that SEATO is not enough).

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Indochina is a powder keg. Laos is almost certain to flare up again. Cambodia looks like a combination of a petty "King and I" comedy and a bamboo version of a banana republic. Above all, South Vietnam is at the eleventh hour. A recent ONE memorandum presents the most alarming picture to date of a potential Korean replica. At least the intelligence community has been warned, but are our policy elements taking action? (I would suggest that this might be a good time to send [REDACTED] out for a heart-to-heart talk with Diem).

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Malaya, and especially Singapore, as the center of the chain, are under great tension. Thailand, with its baroque coterie of coup artists, its flaccid political nerve, and its genial economic corruption would elide into and through neutralism almost without a pause, at the first evidence that SEATO was in fact a "paper tiger."

Burma, westernmost link before the Indian anchor, has been the object of a relative failure in the PROPOL effort. But the Soviet Union, facing the setbacks of successful and abortive defections, and the fiascos of its hotel, hospital and other aid projects, is renewing the attack with better discipline. U Nu is a more promising target than Ne Win.

Finally, Indonesia. On this front, SRS has been and remains even more pessimistic than the already gloomy consensus of the intelligence community. It is true that the peculiar character of the Indonesian people, and the seeming inconsequentiality of Sukarno, encourage the belief that nothing very serious is likely to happen in that lethargic, steaming "South Pacific" environment. But it is precisely because of this inertia that the Indonesian Communists are so alarming. Here is a young,

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disciplined, largely Moscow-trained group of activists. Like the steely Chinese Communist leaders, who recognized the essential weakness of a millennial culture and overthrew it in a few years, men like Aidit combine loyalty to International Communism with a high degree of manipulative skill among the grass roots. I do not venture to predict what will happen, but I would hold out the possibility that a super-Cuba is in the offing. Sukarno may already be a Castro. Nasution, the only "strong man," faces what could be, a fatal conflict with the Indonesian Air Force. One could imagine what would happen, if shooting broke out, and the Soviet Union offered to dispatch aircraft from Chinese bases with "volunteers" to help the "struggle against the imperialist re-enslavers." No Monroe Doctrine would prevail here, and it is doubtful how far SEATO would display the necessary solidarity of all its members. The United States Seventh Fleet might be our only instrument. Would we repeat Lebanon in Java?

The gloomy picture I have sketched is there for all to see.

What can we do about it?

SRS for the past several years has consistently advocated the only action which can hope to "contain" Communism in Asia. It is not a military but a political and economic course - the active promotion of regional unity. The scattered links, which really are not a chain at all, must be forged together, and strengthened at every point.

We recognize, of course, that US policy has already contemplated such a program. When the American ambassadors gathered at Baguio, there was much discussion of regional unity. But in effect, nothing is being done about it. The difficulties seem too great. This congeries of immature nations, mostly newly "liberated" from "colonialism," and seething with expectations, passions and frustrations, seems to defy all efforts to prevent centrifugal dispersion.

And yet, there is a strong movement for regional unity. Burma, Thailand, the Philippines, Malaya, all have statesmen who yearn to achieve some measure of political and economic community.

I believe that it is still possible to forge a cordon, anchored in Japan and India, which could effectively "contain" the Communist colossus. The one way in which this could be done is by creating a "Marshall Plan" for the area.

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In a number of memoranda over the past four years, I have urged the impelling necessity for a "global Marshall Plan" for the underdeveloped areas, established within the framework of the United Nations, and organized on a regional basis. This, of course, is no invention of my own. Many persons, inside the government and outside, here and abroad, have advanced it. So, in a sense, there is nothing new in what I bring up here.

What is, perhaps, timely, is the suggestion that this could be launched in the immediate future. The promise of a "Marshall Plan" for Latin America was appropriate, but may have lost in effectiveness because of a too obvious appearance of being a mere reaction to trouble in Cuba and elsewhere in Latin America. This also may have been too little and too late.

But it is not too late to do something much bigger and less obviously designed to shore up a crisis in being.

What I would suggest is that the Director utilize his access to Vice President Nixon and to Senator Kennedy to urge that they both propose to President Eisenhower an action along the following lines. Immediately after the re-convening of Congress in August, the President would deliver a special address to both houses, recommending a joint resolution in favor of a world Marshall Plan, divided in four major regions: Asia, Middle East, Africa, and Latin America. He would inform the Congress that he has the support of both Presidential candidates, and their assurance that neither will use this aspect of foreign Policy as a campaign issue. On the Republican side acceptance of such an invitation by the President is virtually assured by the Nixon-Rockefeller agreement on a plank favoring regional confederation in the Western hemisphere. If the resolution were passed, the President would then address the General Assembly of the United Nations, as soon as possible, committing the remainder of his administration to all-out effort to lay the foundations of the program, which his successor has pledged to pursue. He would invite the other members of the UN to participate in the endeavor, whether as contributors or beneficiaries. This would include the Communist Bloc, though it would almost certainly refuse, and denounce the proposal.

I believe that such an action is feasible. Historically, it would cancel any negative aspects of the last phase of the Eisenhower regime, and might associate his name with a great creative step forward. Politically, it would guarantee that the election campaign did not

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provide aid and comfort to the Communist enemy. Economically, it would lay one of the two cornerstones - the other being domestic - of an era of growth to which both candidates are now committed. It would free us from the shackles which we have placed on our own unlimited productive capacity. It would disarm the charge of the Communists that the United States is the leader of the "imperialist camp," and remove the taint which is widely imputed to us among anti-communists as well, that we have profited by a "vacarious imperialism," enjoying sources of cheap raw material and easy markets under the mantle of the past imperialism of other countries.

The concept of the original Marshall Plan, of course, is not identical with what is being proposed here. There is a big difference between an effort to rebuild war damaged but still advanced and sound economies and the largely ab ovo construction required by the backward lands. Certain guide lines might be suggested by the President for both the Congressional and the UN approach to the problem. The basic control and direction of the program should be truly international through a combination of the World Bank and a greatly expanded Development Agency, but major projects in many cases might be left to individual nations, and identified as their contribution. For example, there is much to be said for the communist practice of delivering and supervising the assembly of complete "packages," fully equipped factories ready to run. This is something which we can well do, and which has the advantage of minimizing the flow of actual dollars abroad. For the time being at least, concern for our adverse dollar balance may be both politically necessary and economically legitimate. In the long run, I believe the effects of this program, and the world economic upsurge which it would create, would make the gold outflow a thing of the past.

Another primary form of contribution to this Plan would continue to be agricultural surplus food. In this, too, the separate identity of the US contribution might be preserved, while utilizing the mechanism of an International Food Reserve or Bank. It seems desirable that the new administration embrace a medium range program of planned agricultural surplus in this country, both to ease the changes which are being imposed within our own agricultural structure, and to guarantee that food, at least, will not be lacking in the areas where it is needed.

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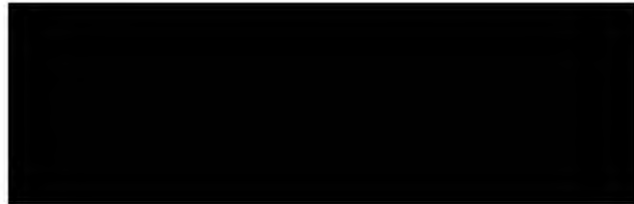
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Finally the American people, and others participating in the plan, must be educated to understand that this is not charity, or even "aid." It is long range enlightened investment from which positive dividends will flow. Even if no provision is made for direct repayment, it might be possible to develop the requirement that as profits flow in from the development program, they either be re-invested locally, or put back into a sort of revolving fund at the UN organizational center. The contributing people s must also be shown that there will be permanent dividends in the form of assured markets and sources of raw materials, formerly maintained only by "imperialist" preeminence. Finally the demonstrative benefits of such an effort in providing a workable economic model for backward countries to follow should be convincingly presented to the world by information and propaganda as a major contribution to resisting the "new imperialism" of International Communism.

A year ago (August 6, 1959, attached, see especially p. 5), in connection with the pending Khrushchev visit, I addressed a memorandum to the Director which, inter alia, made essentially the same proposal. The Director twice assured me that he found this suggestion "interesting." At the present moment, its timeliness seems even greater, and his position, outside partisan politics, even better suited to enable him as a citizen and leader to espouse it. If you perceive no objection, I should like to send him another memorandum on the subject.

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Mr. Robert Amory, Jr.

"Suggestions concerning the visit of Khrushchev" - 6 Aug 59

"Interaction of Policy and Propaganda in Soviet Action Abroad" - 25 July 60  
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